



PKA Direct II K/S

Annual Report 2022

Approved at the company's general meeting, 29 June 2023

Secretary

Klaus Risager

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Fund Information

Fund

PKA Direct II K/S

Klareboderne 1

1115 Copenhagen

CVR-nr.: 41 31 54 31

Founded: 01.04.2020

Accounting period: 1 January – 31 December

Registered in: Copenhagen

General Partner

PKA Direct GP ApS

Executive Board

Jannick Prehn Brøndum

Kasper Hansen

Auditors

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

Strandvejen 44

2900 Hellerup

Management review

Key figures for the Group

All amounts in '000 GBP	2022	2021	2020*
Gross gain/loss	- 418	-6,673	23,444
Financial income & expenses	19,056	29,735	9,462
Net result	- 76,948	- 2,339	39,507
Total Assets	300,475	428,317	824,094
Equity	299,633	426,237	821,321
Equity ratio	99.72%	99.51%	99.66%
Return on equity	-21.20%	-0.37%	4.81%

* 2020 is the first fiscal year for PKA Direct II K/S and only includes 9 months.

Primary activities

The principal activities of the Company in the period under review were to own shares of:

- PKA Burbo Extension Holding ApS (100%)
 - o PKA Burbo Extension Holding (UK) limited (100%) – Sold per 30 November 2021
 - Burbo Extension Holding limited (25%) – Sold per 30 November 2021
- PKA TeesRep Holding ApS (100%)
 - o PKA TeesRep Holding (UK) limited (100%)
 - Chaptre Holdings limited (50%)
- PKA Walney Extension Holding ApS (100%)
 - o PKA WLWF Holding (UK) limited (100%)
 - Anno 2017 Joint Holding (UK) limited (50%)

Development in activities and finances

The Company's Income Statement of the Financial year 1 January – 31 December 2022 shows a negative result of GBP -76,948k which is in line with the management's expectations. For 2023 the management expects a positive result between GBP 0 – 25,000k.

Uncertainty in recognition and measurement

It is assessed that there is no significant uncertainty in the recognition and measurement of financial figures.

Principal risks and uncertainties

The management does not see any special risks to the company in connection with the ownership of the shares in PKA TeesRep Holding (UK) limited or PKA WLWF Holding (UK) limited projects in addition to the commonly occurring risks within the companies' industry.

Management sees no special risk of affecting the external environment in connection with the ownership of the shares in the above companies and their projects.

Changes to principal accounting policies

There are no changes to principal account policies in 2022.

Subsequent Events

No subsequent events have occurred after the balance sheet date that required adjustment to or disclosure in the financial statements.

Corporate social responsibility/ESG

The company is managed by the fund manager AIP Management P/S. All matters related to Corporate Social Responsibility/ESG are governed by the policies of the fund manager. Please download the ESG report for further information about how AIP Management works with ESG across the investment portfolio. The report is available on the AIP Management website.

Policies governing environment and climate, social matters and staff-related matters, human rights and anti-corruption

The Limited Partnership is subject to several policies covering environment and climate, social matters and staff-related matters, human rights, and anti-corruption. The Responsible Investment Policy and the ESG policy define the principles, while the underlying procedures support the implementation.

Environmental, social and governance considerations are important for investment decision-making, both in terms of understanding and managing risks, and identifying opportunities for enhancement. We believe that a strong focus on responsible investing and ESG will create long-term value for our investors.

Consequently, we have integrated a range of ESG principles and valuations throughout all stages of our investment process; from initial screening and investment analysis, during due diligence, negotiation and closing of transaction, and thereafter in the asset management phase.

Below we have described the principles and our results for 2022 in more detail. In 2023, the Limited Partnership expects to continue to focus on its efforts within environment and climate, social and staff-related matters, human rights, and anti-corruption.

Environment and climate

The Limited Partnership maintains a responsible approach to environmental and climate issues, with a climate-friendly investment policy and a requirement to adopt good industry environmental practices.

Investments in renewable energy projects have significant climate benefits in terms of emissions avoided (see later SFDR section of this report).

The Limited Partnership adheres to the following environmental principles:

- Continue to invest in renewable energy
- Minimize environmental consequences related to construction and operation of infrastructure assets
- Minimize carbon footprint of investments
- Minimize carbon footprint of own operations
- Exclude investments in coal, oil and tar sands

In 2022 the Limited Partnership has maintained its positive contribution within Environmental and Climate impact.

Social matters and staff-related matters

For social matters and staff-related matters, the Limited Partnership promotes that the fundamental employees' rights shall be acknowledged and observed by the investment project.

The principal risks to the Limited Partnership's activities relate to non-adherence to its labor and health and safety standards. In addition to contractual standards, the Limited Partnership monitors performance on an ongoing basis and receives monthly reports about the status of Limited Partnership investments.

In 2022, the Limited Partnership has contributed to a safe and healthy work environment.

Human rights

In respect of human rights, the Limited Partnership promotes human rights principles and adopts a zero-tolerance approach to infringement of such rights.

The principal risks to the Limited Partnership's activities relate to potential non-adherence to its labour standards in the investments.

The Limited Partnership follows local regulations and expects investment to comply with international commitments related to human rights. The Limited Partnership is not aware of any breaches of human rights.

In 2022, the Limited Partnership is not aware of any breaches of human rights.

Anti-corruption

The Limited Partnership has a zero-tolerance policy when it comes to corruption and bribery. No corruption and/or bribery shall take place or be carried out directly or indirectly by any of the parties involved in an investment.

The Limited Partnership has taken measures to reduce the risk of corruption, by performing due diligence and monitoring of counterparties and requiring standards of business conduct in contractual agreements. Background checks are conducted using a risk-based approach.

In 2022, the Limited Partnership believes that it has not contributed to any form of corruption or bribery.

Risk assessment and risk mitigation

The main risks associated with the overall investment process of the Fund are:

- Market risks
- Credit risks
- Liquidity risks
- Counterparty risks
- Operational risks

To manage these risks, AIP Management, as the overall fund management company in the group, has established a risk management function. The key responsibilities of the function is to perform independent, and reliable:

- Risk identification
- Risk measurement
- Risk management
- Risk monitoring
- Stress tests/analysis

Individual departments within AIP Management have the overall responsibility to carry out the procedures implemented, whilst Risk Management has the responsibility of overseeing this work.

Gender diversity

As there are no employees in the Fund, there is no policy covering gender targets. There are only two people on the Executive Board, and it is not meaningful to set target figures.

Data ethics

The entity has not implemented a data ethics policy. There are no people employed in the entity and the entity has limited data. The data landscape of the entity is very simple and does not imply any data ethical risk.

Sustainable Finance Disclosure Regulation (SFDR)

The company fulfils the requirement for periodic publication of information on financial products, cf. Article 8, subsection 1, 2 and 2a, in Regulation (EU) 2019/2088 and Article 6, subsection 1, in Regulation (EU) 2020/852 by preparing a supplementary report in connection with this annual report.

Management's statement

The Executive Board have today considered and adopted the Annual Report of PKA Direct II K/S for the financial year 1 January – 31 December 2022.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2022 of the Company and the Group and of the results of the Company and Group operations and cash flows for 1 January – 31 December 2022.

In our opinion, the Management review includes a true and fair account of the matter addressed in the review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 15 June 2023

Executive Board:

Jannick Prehn Brøndum

Kasper Hansen

Independent Auditor's Report

To the Limited Partners of PKA Direct II K/S

Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2022, and of the results of the Group's and the Parent Company's operations as well as the consolidated cash flows for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of PKA Direct II K/S for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("financial statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements, or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement in Management's Review.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of Consolidated Financial Statements and Parent Company Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements

can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Hellerup, 15 June 2023
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Per Rolf Larssen
State Authorised Public Accountant
mne24822

Casper Larsen
State Authorised Public Accountant
mne45855

Income statement

All amounts in thousands of GBP

	Notes	202 2 Group	202 1 Group	202 2 Parent	202 1 Parent
Other external costs		- 418	- 6,673	- 937	- 1,178
Income from group companies		-	-	20,954	168,468
Income from associated companies		21,109	51,194	-	-
Impairment		- 116,843	- 76,577	- 220,913	- 98,146
Profit before financial items		- 96,151	- 32,056	- 200,895	69,144
Financial income	3	19,056	29,738	18,964	29,638
Financial expenses	4	-	- 3	-	- 2
Profit before income taxes		- 77,095	- 2,321	- 181,931	98,780
Income taxes	5	148	- 18	-	-
Net result		- 76,948	- 2,339	- 181,931	98,780
<u>Proposed distribution of profit:</u>					
Dividend		38,900	432,501	38,900	432,501
Retained earnings		- 115,848	- 434,840	- 220,831	- 333,721
		- 76,948	- 2,339	- 181,931	98,780

Balance sheet

At 31 December (in thousands GBP)

Assets	Notes	202 2 Group	202 1 Group	202 2 Parent	202 1 Parent
Non -current assets					
Financial assets					
Investments in group companies	6	-	-	216,088	285,043
Investments in associated companies	7	177,743	201,243	-	-
Receivables from group companies	8	-	-	118,172	215,340
Receivables from associated companies	9	117,541	216,558	-	-
Total financial assets		295,284	417,801	334,260	500,384
Total non -current assets		295,284	417,801	334,260	500,384
Current assets					
Short -term receivables					
Other receivables		452	296	0	4,249
Total short -term receivables		452	296	0	4,249
Cash and cash equivalents		4,739	10,220	1,046	1,813
Total current assets		5,191	10,516	1,046	6,061
Total assets		300,475	428,317	335,306	506,445

Balance sheet
At 31 December (in thousands GBP)

	Notes	202 2 Group	202 1 Group	202 2 Parent	202 1 Parent
Equity and liabilities					
Equity					
Share capital		930,959	881,076	939,492	889,609
Hedging reserves		11,428	6,957	-	-
Retained earnings		- 642,754	- 461,796	- 604,242	- 383,410
Total equity		299,633	426,237	335,250	506,198
Current liabilities					
Other liabilities		842	2,080	56	247
Total current liabilities		842	2,080	56	247
Total equity and liabilities		300,475	428,317	335,306	506,445
Principal accounting policies		1			
Employees		2			
Fees to auditor appointed at the General Meeting		11			
Contingent liabilities		12			
Group and ownership relations		13			

Statement of Changes in Equity

At 31 December (in thousands GBP)

Change in equity - Group	Share capital	Suggested dividend	Hedging reserves	Retained earnings	Total
Equity at 1 January	881,076	-	6,957	-461,796	426,237
Capital increase	49,883	-	-	-	49,883
Valuation changes	-	-	4,471	-65,111	-60,639
Proposed distribution of profit	-	38,900	-	-115,848	-76,948
Distributed capital	-	-38,900	-	-	-38,900
Equity at 31 December	930,959	-	11,428	-642,754	299,633

Change in equity - Parent	Share capital	Suggested dividend	Hedging reserves	Retained earnings	Total
Equity at 1 January	889,609	-	-	-383,410	506,198
Capital increase	49,883	-	-	-	49,883
Proposed distribution of profit	-	38,900	-	-220,831	-181,931
Distributed capital	-	-38,900	-	-	-38,900
Equity at 31 December	939,492	-	-	-604,242	335,250

Cash flow statement

All amounts in thousands of GBP

	Notes	202 2 Group	202 1 Group
Net profit		- 76,948	- 2,339
Adjustments	10	76,609	- 3,374
Changes in working capital		- 1,394	7,835
Cash flow from operating activities		- 1,733	2,122
Investments in financial assets		- 49,883	- 14,638
Interests received		14,010	18,450
Disposal of financial assets		-	398,845
Dividend received		21,109	19,998
Other financial income		33	12
Cash flow from investing activities		- 14,731	422,667
Capital injected		49,883	14,637
Dividend paid		- 38,900	- 432,501
Cash flow from financing activities		10,983	- 417,864
Net cash flow for the period		- 5,481	6,925
Cash and cash equivalents at 1 January		10,220	3,295
Changes to liquid funds		- 5,481	6,925
Cash and cash equivalents at 31 December		4,739	10,220

Notes

Note 1

Principal accounting policies

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (large).

The accounting policies applied to group are identical to the rules applied to the parent.

Consolidated financial statements

The consolidated financial statement comprises the parent and the group enterprises that are controlled by the parent. Control of a subsidiary is achieved by the parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way exercising controlling influence. Enterprises in which the group, directly or indirectly, holds between 20% and 50% of the voting rights and exercises significant, but not controlling, influence are regarded as associates.

Basis of consolidation

The consolidated financial statements are prepared based on the financial statements of the parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income, expenses, accounts and dividends are eliminated. The financial statements used for consolidation have been prepared applying the group accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements.

Changes to principal accounting policies

No changes to the principal accounting policies are applied in 2022.

Presentation currency

The reporting currency is Pound sterling. All amounts are in thousands of GBP. The exchange rate per 31. December 2022 of 838.45 (886.04 in 2021) was used where translation from DKK to GBP was needed.

Recognition and measurement

Revenue is recognized in the income statement as it is earned, including value adjustments of financial assets and liabilities measured at fair value or amortized costs.

In addition, expenses incurred to achieve the year's earnings are recognized, including depreciation, write-downs, provisions, and reversals because of changed accounting estimates of amounts previously recognized in the income statement.

Assets are recognized in the balance sheet when it is probable because of a prior event that future economic benefits will flow to the company, and the value of the asset can be measured reliably. Liabilities are recognized in the balance sheet when the company has a legal or constructive obligation because of a prior event, and it is probable that future economic benefits will flow out of the company, and the value of the liabilities can be measured.

At initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each accounting item below.

Recognition and measurements consider the gains, losses and risks that arise before the annual report is presented and which corroborates or invalidates conditions that existed at the balance sheet date.

The group accounts are consolidated based on the subsidiaries individual accounts adjusted for any intercompany transactions and equity interest.

Foreign currency translation

Foreign currency transactions are translated at the exchange rate at the transaction date. Exchange rate differences arising between the exchange rate at the transaction date and the rate at the payment date are recognized in the income statement as a financial item.

Receivables, payables, and other monetary items in foreign currencies that have not been settled on the balance sheet date are translated at the exchange rate at the balance sheet date. The difference between the exchange rate at the balance sheet date and the exchange rate at the transaction date is recognized in the income statement as a financial item.

Income statement

Other external costs

Other external costs include costs for administration, etc.

Other external costs

Other external costs include costs for administration, etc.

Income from associated companies

Dividend income from associated companies is presented in the Income statement in the year of which it was declared.

Impairment

Impairment adjustments in group and associated companies is presented in the Income statement in the year of which it was declared.

Financial items

Financial income and expenses include interest income and expenses, realized and unrealized gains and losses on debt, fair value of investments & loans and transactions in foreign currencies.

Tax

Income taxes for the year, is recognized in the income statement with the part that can be attributed to the profit for the year.

Balance sheet

Investments in financial assets

Investments in subsidiaries and associates are recognized and measured at cost. If there is an indication of a need for impairment, an impairment test is performed. Where the carrying amount exceeds the recoverable amount it is written down to this lower value.

Cash and cash equivalents

Cash comprises cash in bank deposits. Cash and cash equivalents comprise cash and bank balances net of bank overdrafts.

Equity

Dividend distributions proposed by the management for the financial year are shown as a separate item under equity.

Other Liabilities

Expenses with reference to the fiscal year are accrued for.

Cash flow statement

Cash flow from operating activities includes all cash transactions other than cash flows arising from investments, received dividends, paid and received financial items and equity transactions.

Cash flow statement is calculated based on the indirect method where the cash flow is based on the difference between year start and year end with adjustments for non-cash items.

Key Figures

Key figures and financial ratios are determined based on "Recommendations & Financial Ratios" issued by the Danish Society of Financial Analysts:

$$\text{Equity ratio} = \frac{\text{Equity, end of period} \times 100}{\text{Total Assets}}$$

$$\text{Return on equity} = \frac{\text{Net result} \times 100}{\text{Average equity}}$$

Note 2

Employees	<u>202 2 Group</u>	<u>202 1 Group</u>	<u>202 2 Parent</u>	<u>202 1 Parent</u>
Average number of employees	-	-	-	-

Note 3

Financial income

Interest from loans to group companies	-	-	18,9 64	29,638
Interest from Joint Ventures	7,505	7,505	-	-
Other financial income	11,504	22,233	-	-
Total financial income	<u>19,009</u>	<u>29,738</u>	<u>18,9 64</u>	<u>29,638</u>

Note 4

Financial expenses

Loss on foreign exchanges	-	-	-	-
Other financial expenses	-	-3	-	-2
Total financial expenses	<u>-</u>	<u>-3</u>	<u>-</u>	<u>-2</u>

Note 5

Taxes

Income taxes	148	- 18	-	-
Total income taxes	<u>148</u>	<u>- 18</u>	<u>-</u>	<u>-</u>

Note 6

	202 2 Group	202 1 Group	202 2 Parent	202 1 Parent
Investments in group companies				
Cost at 1 January	-	-	383,189	383,189
Additions in year	-	-	-	-
Disposals	-	-	-	-
Cost at 31 December	-	-	383,189	383,189
Impairment at 1 January	-	-	- 98,146	-
Impairment in year	-	-	- 68,955	- 98,146
Impairment at 31 December	-	-	- 167,101	- 98,146
Total investments in group companies	-	-	216,088	285,043

The company has investment in subsidiaries located in Denmark with 100% ownership:

- PKA Burbo Extension Holding ApS
- PKA TeesRep Holding ApS
- PKA Walney Extension Holding ApS

The detailed ownership structure is presented in the Primary activities section of the Management review.

Note 7

	202 2 Group	202 1 Group	202 2 Parent	202 1 Parent
Investments in associated companies				
Cost at 1 January*	277,821	620,167	-	-
Additions in year	-	-	-	-
Disposals in year	-	- 342,347	-	-
Cost at 31 December	277,821	277,821	-	-
Impairment at 1 January	- 76,578	-	-	-
Impairment in year	- 23,500	- 76,578	-	-
Impairment at 31 December	- 100,078	- 76,578	-	-
Total investments in associated companies	177,743	201,243	-	-

Note 8

Receivables from group companies	2022	2021
Cost at 1 January	215,340	441,854
Additions in year	68,799	44,275
Repayments in year	- 14,010	- 270,789
Cost at 31 December	270,129	215,340
Impairment at 1 January	-	-
Impairment in year	- 151,957	-
Impairment at 31 December	- 151,957	-
Total receivable from associated companies *	118,172	215,340

* The company expects repayments within the next year.

Note 9

Receivables from associated companies	2022	2021
Cost at 1 January	216,558	191,808
Additions in year	68,799	29,533
Repayments in year	- 14,010	- 4,783
Cost at 31 December	271,347	216,558
Impairment at 1 January	-	-
Impairment in year	- 153,806	-
Impairment at 31 December	- 153,806	-
Total receivable from associated companies *	117,541	216,558

* The company expects repayments within the next year.

Note 10

Cash flow statement - adjustments	2022	2021
Dividends received	- 21,109	- 19,998
Impairment on Investments incl gain/loss from disposals	116,843	45,381
Financial expenses	- 47	3
Financial income	- 19,009	- 29,738
Other adjustments	- 69	978
Total adjustments	76,609	- 3,374

Note 11

Fees to auditor appointed at the General Meeting	2022 Group	2021 Group	2022 Parent	2021 Parent
Statutory fee to PricewaterhouseCoopers	66	63	10	8
Other assurance engagement	2	2	2	2
Other services	2	2	-	-
Total fees	70	67	12	10

Note 12

Contingent liabilities

The company has no contingent liabilities apart from the liabilities already recognized in the balance sheet.

Note 13

Group and ownership relations

The fund is owned by:

- Pensionskassen for Sygeplejersker og Lægesekretærer, Tuborg Boulevard 3, 2900 Hellerup, Owner
- Pensionskassen for Socialrådgivere, Socialpædagoger og kontorphersonale, Tuborg Boulevard 3, 2900 Hellerup, Owner
- Pensionskassen for Sundhedsfaglige, Tuborg Boulevard 3, 2900 Hellerup, Owner

Other related parties include:

- PKA Direct GP ApS, Klareboderne 1, 1115 København K, General Partner

Besides the investment transactions shown in the financial statement and general partner fee, there are no transactions with related parties.

The Group is not part of any other consolidated financial statements.

Supplementary Report

ANNEX IV

Template periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: PKA Direct II K/S ("PKA Direct II")

Legal entity identifier: CVR-no. 41315431

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The EU Taxonomy is a classification system laid down in Regulation (EU) 2020/852, establishing a list of environmentally sustainable economic activities. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?	
<input checked="" type="radio"/> <input checked="" type="radio"/> Yes	<input checked="" type="radio"/> <input type="radio"/> No
<input type="checkbox"/> It made sustainable investments with an environmental objective: ___%	<input checked="" type="checkbox"/> It promoted Environmental/Social (E/S) characteristics and while it did not have as its objective a sustainable investment, it had a proportion of 100% (of AuM) ¹ of sustainable investments
<input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy	<input checked="" type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
<input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	<input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
<input type="checkbox"/> It made sustainable investments with a social objective: ___%	<input type="checkbox"/> with a social objective
	<input type="checkbox"/> It promoted E/S characteristics, but did not make any sustainable investments



To what extent were the environmental and/or social characteristics promoted by this financial product met?

PKA Direct II promotes environmental characteristics. The environmental characteristics promoted by PKA Direct II stem from:

- Investment universe: The fund invests in renewable energy. Investing in renewable energy contributes to reducing GHG emissions and supports the transition to a low carbon economy.

¹ This financial product has both equity and debt. For the equity investments the value of the assets is based on the cost price. For the debt instruments we have used an estimated value in accordance with our annual reporting.

- b) AIP's ESG policy: The policy outlines the principles regarding climate change risks, incl. the aim of continuously minimizing the carbon footprint of investments with the objective of reducing the effects on climate change in line with good industry practice and regulations.

AIP's ESG Policy requires that no investments are made in assets involved in coal and oil related activities. Furthermore, AIP is not to invest in assets engaged in manufacture of controversial weapons or in the development, production or storage of nuclear weapons, as well as assets involved in the production of components made explicitly for use in controversial or nuclear weapons. Additionally, AIP does not invest in companies involved in the production of tobacco, pornography, alcohol, and gambling.

The fund is closed, and it will not make additional investments. As such the characteristic described in point a above is no longer relevant.

During the year AIP has engaged with the assets under the principles described in the ESG policy. Among other things AIP has initiated a project to collect additional ESG data, including data for monitoring the principal adverse impacts and establishing GHG emissions reductions targets.

● How did the sustainability indicators perform? ²

The full portfolio generated 2,654,026 MWh during 2022, which corresponds to 512,758 tCO₂e, GHG emissions avoided.

Sustainability indicators	Data 2021	Data 2022	Absolute difference	Relative difference (%)
Renewable energy capacity (MW)	659	659	-	-
Renewable energy generated (MWh)	2,197,791	2,654,026	456,235	20.8%
GHG emissions avoided (tCO ₂ e)	424,613	512,758	88,145	20.8%

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

● ...and compared to previous periods?

The fund increased its generation by 456,235 MWh in 2022, which corresponds to 88,145 tCO₂e, GHG emissions avoided.

● What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?

PKA Direct II have committed to have a minimum proportion of 0% of sustainable investments. PKA Direct II have conducted an assessment of the alignment of the portfolio against the EU Taxonomy and has assessed that 100% of AuM is in activities which are aligned with the EU Taxonomy. The assessment is based on the EU Taxonomy criteria for climate change mitigation.

The investments which are classified as aligned with the EU taxonomy are thus making a substantial contribution to the objective of climate change mitigation. They do that by providing renewable energy, storing renewable energy, or providing low carbon transport.

² The sustainability indicators are based on 100% ownership of the assets co-owned and co-financed by AIP Management.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption, and anti-bribery matters.

How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?

The fund did not make any investments during the reference period. The sustainable investments in the portfolio were analysed against the EU Taxonomy’s “do no significant harm”-criteria to determine their alignment.

How were the indicators for adverse impacts on sustainability factors considered?

The indicators for adverse impacts were not considered.

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

The 100% of AuM that are aligned with the EU Taxonomy is compliant with the minimum safeguards, which is based on the OECD MNE and the UNGP. The assets are screened annually against the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, as specified in AIP’s ESG Policy. As such we expect all investments to be aligned with the OECD MNE and the UNGP, and as such we also expect all companies to have good governance practices in place.



How did this financial product consider principal adverse impacts on sustainability factors?

This fund does not take Principal Adverse Impacts into account under article 7 of Regulation (EU) 2019/2088 (SFDR). The Fund adheres to the ESG policy established by AIP. The ESG policy addresses environmental, social and governance considerations including negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.



What were the top investments of this financial product?

Largest investments	Sector	% AuM	Country
Walney Extension	Renewable energy	99%	United Kingdom
TeesRep	Renewable energy	1%	United Kingdom



What was the proportion of sustainability-related investments?

The proportion of sustainability-related investment was 100% of AuM. The fund has not classified any investments as sustainable investment using article 2(17) in Regulation (EU) 2019/2088.

The list includes the investments constituting the greatest proportion of investments of the financial product during the reference period which is: 2022

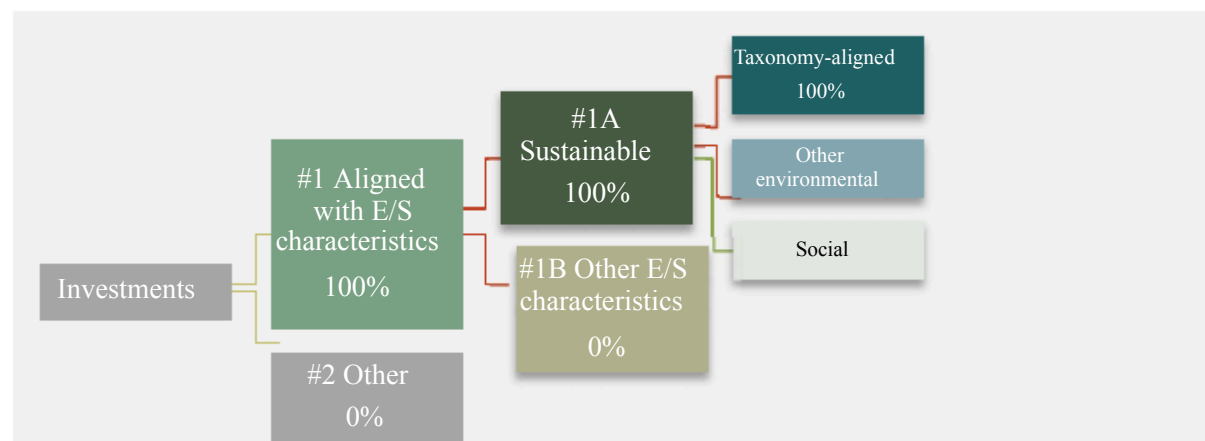
Taxonomy-aligned activities are expressed as a share of:

- turnover reflects the “greenness” of investee companies today.
- capital expenditure (CapEx) shows the green investments made by investee companies, relevant for a transition to a green economy.
- operational expenditure (OpEx) reflects the green operational activities of investee companies.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

● What was the asset allocation?



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category #1 Aligned with E/S characteristics covers:

- The sub-category #1A Sustainable covers environmentally and socially sustainable investments.
- The sub-category #1B Other E/S characteristics covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

● In which economic sectors were the investments made?

The fund is invested in two sectors: Renewable energy.

Of the total AuM of the fund, 100% is allocated for renewable energy assets.



● To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

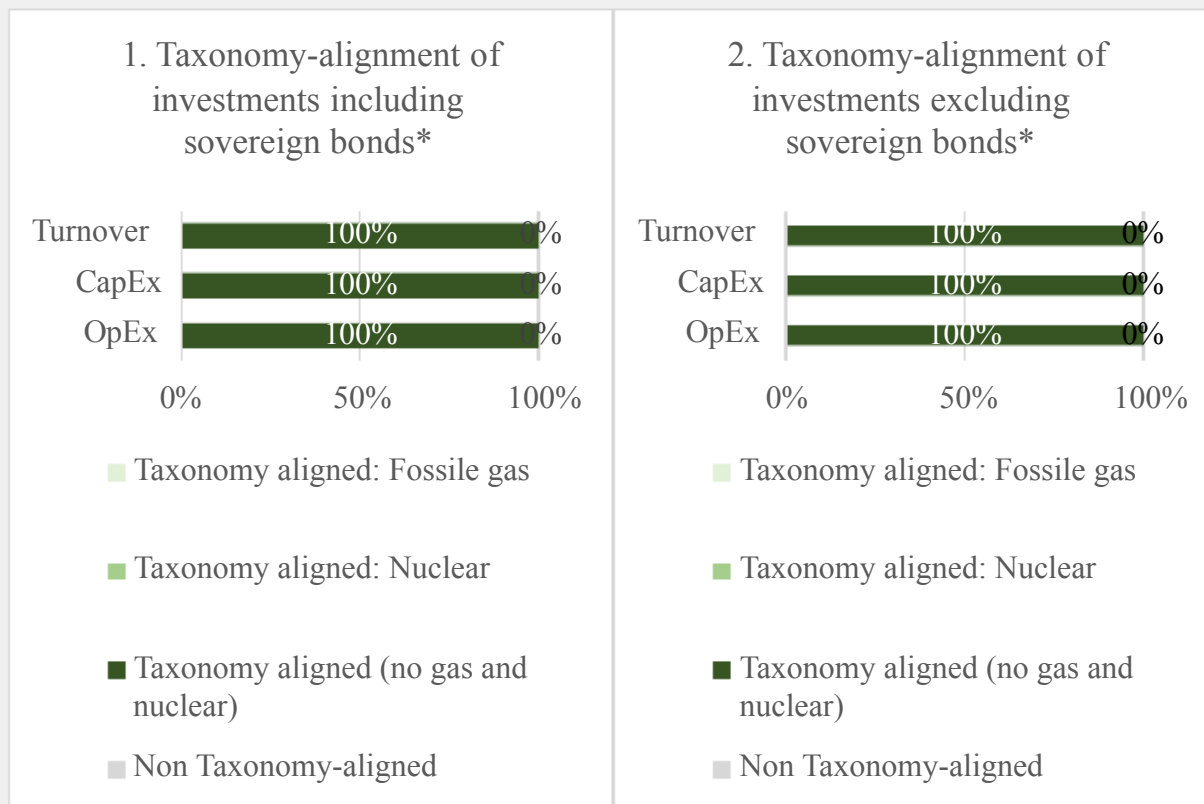
100% of the AuM was classified as aligned with the EU Taxonomy. This assessment was conducted by Position Green.

● Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy?³

- Yes:
 - In fossil gas
 - In nuclear
- No

³ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



* All investments in the portfolio are “single activity” assets. The taxonomy assessments conducted has thus focused on whether each asset is meeting the criteria defined for the relevant activity. If the criterias are met, the asset is classified as aligned. In terms of turnover, capex and opex this means that all turnover, all capex, and all (in scope) opex is then classified as aligned. As such the turnover, capex and opex shares are identical for the portfolio as a whole and represents the share of AuM that is invested into assets which conduct an activity which is classified as aligned.

**For the purpose of these graphs, ‘sovereign bonds’ consist of all sovereign exposures

● What was the share of investments made in transitional and enabling activities?
0% of the assets classified as aligned with the EU taxonomy was in enabling or transitional activities.

● How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?
No data is available for previous reference periods.



What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

All investments of PKA Direct I are classified as EU Taxonomy aligned.



What was the share of socially sustainable investments?

PKA Direct I has not assessed whether any of the investments can be considered as socially sustainable investments. As such this share is 0%.



are sustainable investments with an environmental objective that do not take into account the criteria for environmentally sustainable economic activities under Regulation (EU) 2020/852.

Asset allocation describes the share of investments in specific assets.



What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?

No investments are classified as “other”.



What actions have been taken to meet the environmental and/or social characteristics during the reference period?

AIP has initiated a data collection project with the purpose of establishing a better understanding of the principal adverse impact indicators, and to establish GHG targets for the portfolio.



How did this financial product perform compared to the reference benchmark?

A reference benchmark has not been designated for the purpose attaining the environmental or social characteristics promoted by the financial product.

- How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?

PKA Direct II does not designate a reference benchmark.

- How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?

PKA Direct II does not designate a reference benchmark.

- How does the designated index differ from a relevant broad market index?

PKA Direct II does not designate a reference benchmark.

- Where can the methodology used for the calculation of the designated index be found?

PKA Direct II does not designate a reference benchmark.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.